

Political Developments in the Philippines

President Aquino's restrictions on military counterinsurgency activity have helped the Communist New People's Army retain the initiative and inflict sharply increased casualties on government forces.

- Over 1,000 people have been killed in fighting since Aquino assumed power in late February, [REDACTED]

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- Guerrilla forces have been successful in a recent series of ambushes and attacks on town halls, police stations, and municipal facilities. Last month, insurgents in Cagayan--Defense Minister Enrile's home province--fought government forces to a standstill in a series of related battles.

Communist Party leaders, while working to expand the party's nationwide political organization, are nonetheless caught up in an internal debate over the appropriate strategy for the post-Marcos era.

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Meanwhile, Aquino faces Cabinet infighting and public frustration over limited progress on economic reform, which may prompt the eventual removal of several prominent Cabinet members.

- According to the US Embassy, a senior presidential adviser predicted that Aquino would appoint a "second cabinet" whose only priority would be loyalty to her. The adviser said those likely to be eased out included Finance Minister Ongpin, Defense Minister Enrile, and Local Governments Minister Pimentel.

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- Another presidential confidant recently told the Embassy that Pimentel will be ousted when his task of replacing local officials with government appointees--which has created a public furor--is completed.

The early sessions of the constitutional commission that began its work last week were contentious and seem certain to test Aquino's leadership skills. If the process drags on far beyond the anticipated 90 days, it could undermine her political position.

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- According to a US Embassy contact, the proceedings so far have been bogged down by the attempts of leftist delegates to delay drafting a general document and instead focus on specific issues such as foreign military bases, economic redistribution, and the environment.
- The same source says that moderates--who dominate the commission and who include some of Aquino's close advisers--are taking steps to limit unproductive activity by developing a series of rules governing debate.